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13TH ANNUAL REPORT

CORE EMBALLAGE



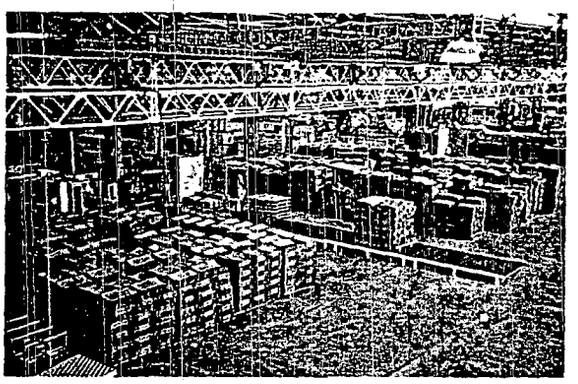
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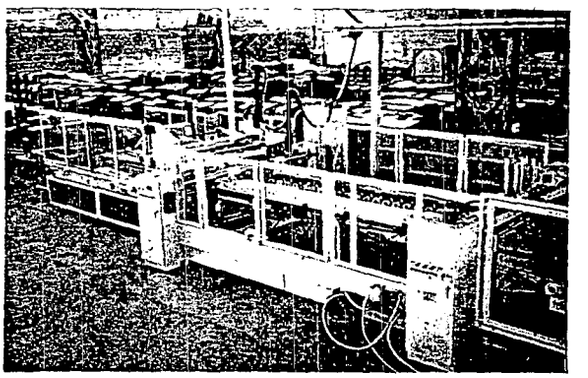
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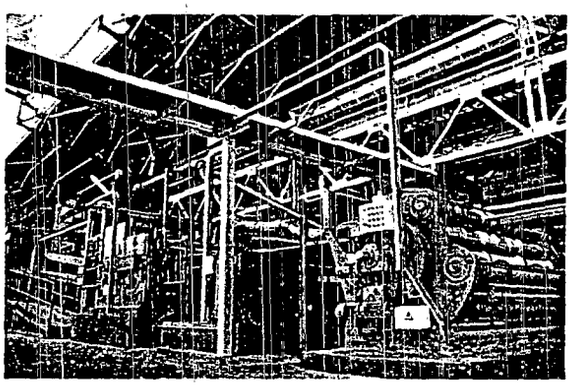
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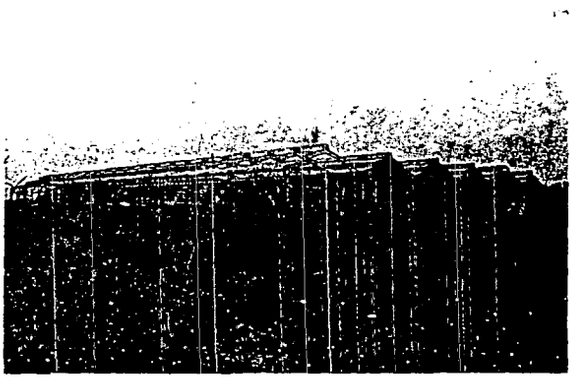
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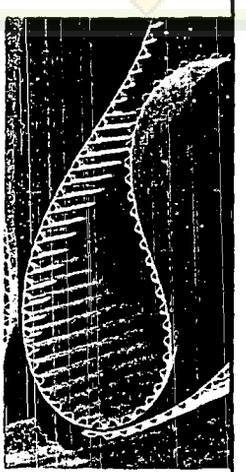


REVOLUTIONISING

CORRUGATED

PACKAGING

Located on 600 acres of land on the outskirts of Ahmedabad, our factory is built up on half a million square feet housing the best and the most sophisticated equipment in the world. Our factory is of truly global capacities; our high speed corrugator from Peters, Germany is capable of making close to 200,000 square meters of board, enough for nearly half a million boxes every day. This board is then made into boxes on our converting machines. Two "inline" flexo folder gluers from Martin, France, each print, slot fold and glue boxes at the rate of over 10,000 boxes an hour. Our "off-line" machines include the SPO 160 diecutter, the Flexo 160 five colour printing machine, and the Domino 165 Matic, all from the Rolls Royce of the corrugating industry, Bobst of Switzerland.

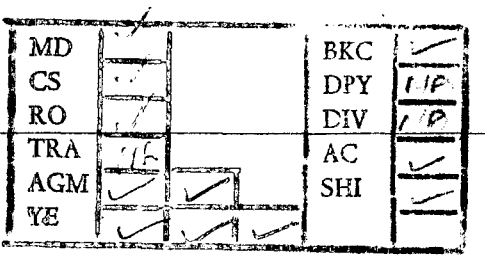


>Add to this scientifically designed layout with the best raw material and finished good handling and storage facilities; plus the most sophisticated of ancillaries, such as the Computerised Glue kitchen (which makes glue of perfect viscosity and composition) and our waste handling system, you have a truly world class facility.

>The in-house Design Studio comprises of an R&D lab, a Computer Studio, a Box Museum and a Sample Maker. The Design Studio comprises of Product Designers from premier design institutes, Package Design Engineers, Graphic Designers and Commercial Artists who work as a team to realise the aspiration of the studio.

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DIRECTORS	:	JUSTICE BIPINCHANDRA J. DIWAN SHRI BALDEVRAJ HANDA SHRI SUSHIL KUMAR HANDA SHRI RAJIV MEHTA SMT. DIVYA DEEPTI HANDA
MANAGING DIRECTOR	:	SHRI SUNIL HANDA
COMPANY SECRETARY	:	SHRI NIRAJ TRIVEDI
AUDITORS	:	M/S. C. R. SHAREDALAL & CO. Chartered Accountants Ahmedabad
BANKERS	:	DENA BANK BANK OF BARODA THE SOUTH INDIAN BANK LTD.
REGISTERED OFFICE	:	"CORE HOUSE" Off C. G. Road Near Parimal Garden Ellisbridge Ahmedabad 380 006.

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Notice

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of **CORE EMBALLAGE LIMITED** will be held on Thursday the 19th June, 1997 at 9.00 a.m. at the Conference Room, Ahmedabad Textile Mills Association (ATMA), Opp. National Chamber, Ashram Road, Ahmedabad 380 009 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1997, and Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sushilkumar Handa, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Justice B.J.Diwan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

   "RESOLVED THAT Mr. Rajiv Mehta, be and is hereby appointed as a Director of the Company".

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

   "RESOLVED THAT in accordance with the provisions of sections 198,269,309,310 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if required, Mr. Rajiv Mehta be and is hereby appointed as a Wholetime Director, designated as an Executive Director of the Company for a period of 5 years with effect from 28.10.96 on the following terms and conditions :

   A) Salary :- Rs. 40,000/-per month.

   B) Commission and other perquisites :-

   Commission and other perquisites including Dearness Allowance, other allowances not exceeding the limit specified under section II of part II of schedule XIII of the Companies Act, 1956".

   "FURTHER RESOLVED THAT subject to the provisions of section 309 read with section 198 and other applicable provisions of the Companies Act and subject to the approval of the Central Government, if required, where in any financial year during the currency of tenure of the Executive Director, the company has no profit or its profit is inadequate, remuneration be paid by way of salary and perquisites not exceeding the limit specified in Schedule XIII of the Companies (Amendment) Act, 1988 as revised on 01.02.94"

   "FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to increase, enlarge, vary and modify the remuneration payable to him, including salary, Dearness Allowance, Perquisites, Commission and other allowance etc. upto the limits prescribed in this behalf under Schedule XIII of the Companies (Amendment) Act, 1956 as revised on 01.02.94 or any further statutory revision, modification, clarification or re-enactment thereof from time to time in force and/or guidelines for managerial remuneration to be issued by the Central Government from time to time and from the date statutory provisions and/or the guidelines coming into force without any further reference to the Company in General Meeting."

   "FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, matters as may be considered necessary, desirable or expeditious to give effect to this resolution."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT WHICH THE MEETING IS SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.

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2. Register of Members and Share Transfer Books shall remain closed from Monday, the 16th June, 1997, to Wednesday, the 18th June, 1997 (both days inclusive).

3. The explanatory statement as require under section 173(2) of the Companies Act, 1956 for item No. 5 & 6 is annexed to this Notice.

Registered Office :
"CORE HOUSE", Off C.G.Road,
Near Parimal Garden,
Ellisbridge,
Ahmedabad 380006

By order of the Board of Directors

NIRAJ TRIVEDI
Company Secretary

Place : Ahmedabad
Date : 15th May, 1997

ANNEXURE TO NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

Item No.:- 5 & 6

Shri Rajiv Mehta was appointed by the Board of Directors as Director of the Company at its meeting held on 28.10.96 with immediate effect. Shri Rajiv Mehta will hold office as Director designated as Executive Director upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member, under section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- proposing Shri Rajiv Mehta as a candidate for the office of Director of the company.

Shri Rajiv Mehta has been associated with the company for several years and he has been the General Manager of the company since three years. Shri Rajiv Mehta possesses technical and managerial experience spread over several years. His qualifications and experience will be of immense help to the Company in implementing and running the project. Keeping in view his expertise, the Board of Directors at its meeting held on 28.10.96 appointed him as a Director of the company designated as "Executive Director" for a period of 5 years subject to the approval of members at its Annual General Meeting in terms of Schedule XIII of the Companies Act, 1956. Shri Rajiv Mehta is eligible for appointment as Wholetime Director.

Members are requested to accord their approval to the appointment of Shri Rajiv Mehta as a Wholetime Director designated as Executive Director of the company for a period of 5 years with effect from 28.10.96 on the terms and conditions contained in the resolution no. 6.

None of the directors except himself is concerned or interested in the said resolution.

Registered Office :
"CORE HOUSE", Off C.G.Road,
Near Parimal Garden,
Ellisbridge,
Ahmedabad 380006

By order of the Board of Directors

NIRAJ TRIVEDI
Company Secretary

Place : Ahmedabad
Date : 15th May, 1997

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Directors' Report

To

The Members of the Company,

Your directors have pleasure in presenting the Thirteenth Annual Report of your Company together with the audited accounts for the year ended on 31st March, 1997.

FINANCIAL RESULTS

	(Rs. In lacs) Year ended on 31.03.97	Year ended on 31.03.96
Total Income	564.00	599.79
Gross Profit/(Loss)	(116.65)	553.76
Profit/(Loss) after interest	(691.01)	254.20
Profit/(Loss) after Depreciation	(1196.03)	229.49

DIVIDEND

Your directors would like to inform you that 1996-97 being the first year of commercial production, the company has focused all its efforts into building a strong base in terms of its marketing, production and customer education regarding corrugated boxes. Your directors are confident that these efforts will bear fruit during the current and subsequent years. In absence of profit, your company is skipping dividend for the year 1996-97. Members may recollect that your Company had paid a dividend of Rs. 2.10 per equity share for the year ended on 31/03/96.

OPERATION

1996-97 has witnessed the birth of a revolution in the corrugated box industry in India with your company completing the commissioning of its Rs. 120 crore state-of-the-art plant spread over an area of 600 acres, in a record 15 months. The technology is imported from Germany, Switzerland, France and Holland.

Your Company has completed the first phase of its project and started trial production from the month of June,1996 and commercial production from the month of September, 1996.

This period also witnessed the setting up of the Chrysalis Design Studio - India's first studio dedicated to the corrugated box industry with an investment of over Rs. 300 lacs worth of hardware and design software. Chrysalis studio also has a corrugated box museum with a large collection of international boxes.

Presently your Company is supplying its products to more than 30 corporate clients with repeat orders from many of them. Some of the valuable clients are - Godrej Foods Ltd., Rajasthan Spinning & Weaving Mills Ltd., Gujarat Cycles Ltd., NDDB, Amrit Group of Companies, Panasonic, Domino's Pizza, Bell Group of Companies, Wipro, Cadbury's, Welspun Group, Jain Group, Mahendra Suitings, TNT World-wide Express etc.

CONVERSION OF DEBENTURES INTO EQUITY

During the financial year 95-96 the Company had issued 91,02,960 Debentures on Rights Issue basis, and the said debentures were converted into Equity Shares at the ratio of 1:1 on 1-04-96. Hence, after conversion, the paid up capital of the Company increased from Rs. 182.16 lacs to Rs. 1092.36 lacs .

DIRECTORS

During the year under review your Company has appointed Mr. Rajiv Mehta on the Board of Directors, designated as Executive Director. He holds office until the conclusion of this Annual General Meeting and is eligible for appointment. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his appointment as a director.

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Shri Sushilkumar Handa and Justice B.J.Diwan retire by rotation and being eligible, offers themselves for re-appointment.

FIXED DEPOSIT

As on 31st March '97 two fixed deposits amounting to Rs.7000/- had become due for repayment and were unclaimed. Of these deposits, one amounting to Rs.2000/- has since been repaid.

AUDITORS

The Auditors, M/s. C.R.Sharedalal & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors and fix their remuneration.

PERSONNEL

During the year under review, your company has build-up a team of key professional personnel for its manufacturing activities.

Particulars required in accordance with the Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 and forming part of this Directors Report are attached with the Annual Report.

MATTERS REQUIRED TO BE REPORTED AS PER COMPANY'S (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A. ENERGY CONSERVATION :

Energy Conservation measures taken:

Your company has installed a steam condensate recovery system imported from Germany which generates flash steam and supplies high pressure temperature condensate to the boiler directly. This saves boiler fuel and supplies additional flash steam to equipment.

Your company has 4 DG sets with synchronisation and Auto load sharing facility, which facilitates less consumption of fuel.

Your company has installed Automatic timer circuits for factory lighting which saves electricity.

In factory construction, north lighting facility was incorporated which saves lighting in the day time.

The company continues to design and install systems wherein further improvements in boiler efficiency, reduction in fuel consumption and reduction in electricity consumption are being undertaken.

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption :

Necessary efforts are being made for developing indigenous sources of flexos, dies and other spares.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

Activities relating to export, initiative taken to increase exports, development of new export markets for production and service and export plan :

The Company has procured orders from many 100% EOU's/companies who are exporting their products. Through this, the company is getting all the benefits of deemed exports.

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The company has also started interaction with various international companies for direct exports.

Total foreign exchange used and earned :

The rupee equivalent of total foreign exchange on imports during the year is Rs.440.08 lacs.

ACKNOWLEDGEMENTS

Your directors wish to place on record continued support of ICICI Ltd., SCICI Ltd. and The South Indian Bank Ltd. for providing funds to the project. The directors also thank the banks i.e. Dena Bank, Bank of Baroda and The South Indian Bank Ltd. for providing working capital facilities to your company. The directors further acknowledge the support received by the company from its Suppliers of goods and services, Contractors, Shareholders, Debentureholders, Fixed Deposit holders and employees and other agencies associated with the company.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 15-05-97

Sunilkumar Handa
Managing Director

Rajiv Mehta
Executive Director

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